

**DEOD SUMMARY**

**TECHNICAL SUPPORT SERVICES FOR THE HEAVY RAIL VEHICLE (HRV)  
ACQUISITION/OP16523-30433487**

**A. Small Business Participation**

LTK Engineering Services (LTK) made a 22.62% Disadvantaged Business Enterprise (DBE) commitment. Based on payments reported to-date, the contract is 78% complete and the current DBE participation is 12.21%, representing a 10.41% shortfall. LTK submitted its initial shortfall mitigation plan in August 2021 and a subsequent update in March 2022.

LTK Services contends that the shortfall is due to the inability to use the resources of Virginkar & Associates, Inc. (VAI) to perform inspection services in China as originally planned. Due to three main components to this impact: CRRC delays and late initiation of manufacturing of the six pilot cars which started in January 2019; One VAI inspector started work in China in March 2019, almost 18 months later than LTK’s original engagement plan; and due to the COVID-19 situation, the China-based VAI inspector left China at the end of January 2020.

LTK further reported that the shortfall will be mitigated with the addition of a second VAI inspector in CRRC’s Springfield, MA facility in April-May 2022 and additional VAI staff starting mid 2022 in Los Angeles to be part of the commissioning effort of the vehicles. LTK projects that the DBE participation level at the end of the base contract term (March 2024) will be approximately 23%. LTK stated that they are fully committed to meeting their commitment.

Notwithstanding, Metro Project Managers and Contract Administrators will work in conjunction with DEOD to ensure that LTK Engineering Services is on schedule to meet or exceed its DBE commitment. Additionally, key stakeholders associated with the contract have been provided access to Metro’s web-based monitoring system to ensure that all parties are actively tracking Small Business progress.

<b>Small Business Commitment</b>	<b>DBE 22.62%</b>	<b>Small Business Participation</b>	<b>DBE 12.21%</b>
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	<b>DBE/SBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	Ramos Consulting Services, Inc	Hispanic American	3.60%	9.58%
2.	Virginkar & Associates, Inc.	Asian-Pacific American	19.02%	2.63%
	<b>Total</b>		<b>22.62%</b>	<b>12.21%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.